

Dear Gary,

We are sending you the Fall 2019 Report of our Joint Benefits Committee. This Committee, as you know, monitors and provides input about issues that impact all of our UC retirees (faculty and staff). Both of our Councils, the Council of UC Retirement Associations (CUCRA) and the Council of UC Emeriti Associations (CUCEA) have discussed and approved this report.

We want it on the record as well that Appendix 1, that details the difficulties encountered with RASC since July 2019, was a compendium from not only our Retirement Center Directors but also from both of our Councils (many of us individually received complaints and concerns), from our Campus Administrators (our HR Departments and Provost offices received information about concerns), and from others who had heard about the difficulties that are summarized in the report of the Joint Benefits Committee that operates under both CUCRA and CUCEA.

Many eyes are on the performance of the Retirement Administration Service Center (RASC), and on policy issues re retirees out of UCOP. We are eager to assist having communication be improved to allow feedback from the retirees to UCOP and to allow UCOP to disseminate information to retirees and pre-retirees.

Best,

Marianne Schnaubault, CUCRA Chair

Caroline Kane, CUCEA Chair

**Joint Benefits Committee Report
CUCRA/CUCEA Joint Meeting at UC Davis
October 30-31, 2019**

Action

Submitted by JBC October 19, 2019

Approved by CUCRA October 31, 2019

Approved by CUCEA October 31, 2019

Response by UCOP

This JBC report presents our comments and questions about five issues that are important for the members of the Associations represented by CUCRA and CUCEA. These issues are also of considerable interest to active UC employees because they may affect their expected post-employment benefits. We submit this report for approval by CUCRA and CUCEA before asking that the Chairs of CUCEA and CUCRA formally submit it to UCOP. However, this draft should be forwarded to UC Benefits so that they can provide some response at the October UCD joint meeting.

We recognize the necessity for UCOP to concentrate on the major system transitions this last Spring and therefore accept the lack of a written response about our comments, questions and issues in our April 2019 report. However, we wish to emphasize the importance of receiving some written acknowledgement of the issues raised by CUCEA and CUCRA as we represent all retirees and attempt to keep them informed through our various Associations.

1. Access to Retiree and Retirement Information

The JBC was too optimistic in April 2019 when we wrote: “The JBC believes that RASC has a good chance of avoiding serious problems during the rollout of the UC Retirement At Your Service (UCRAYs) and ROOTS portals for Redwood.” Although RASC had increased its work force before April, and continues to do so today, there are still many problems. These problems are summarized by the Directors of the Centers for Emeriti and Retirees in Appendix I of this report. The problems include Responsiveness, Accuracy, Timeliness, Communication, and ongoing problems. We realize that RASC is committed to

solving the problems, and we wish them well. However, we believe that RASC needs to fully report on the situation and its resolution:

- RASC should report progress on problem elimination, and these reports should be published on the Benefits web site. Metrics are needed to show where there is progress, and where there is none.
- RASC should publish a timeline for problem resolution, and indicate which issues will have immediate, intermediate, and long-term solutions.
- Is RASC considering operational changes that might better respond to present and future challenges? RASC has hired a significant number of temporary workers to work during the transition, many of whom were not hired until well into the summer. Why weren't adequate numbers hired at the beginning and how many of these workers will end up being permanent?
 - We are also concerned about cyber-security and, particularly, the use of an outside vendor in connection with the roll out of UCRAYS. Why did RASC make its choice?
 - What fraction of eligible people has successfully created a UCRAYS login?
 - We would like to see the final report about the RASC experience with modernization, with recommendations for improvements. This report would be useful for other UC systemwide and campus software projects. Other Universities might also want to see the report.

II. New Medicare Advantage Preferred Provider Organization (MA PPO) medical plan.

As is well known UC is eliminating the Health Net Seniority Plus (Medicare Advantage HMO) health insurance plan, and a new MA PPO plan will replace the Health Net plan. United Health Care was selected to be the MA PPO provider by an RFP process, and Retirees and Emeriti will soon be able to enroll through Open Enrollment. The JBC has asked its CUCRA and CUCEA members on the RFP review committee, to write a report about what went well and not so well with the RFP process. The JBC heartily endorses their report which is found here as Appendix II.

Appendix II is self-explanatory, but we want to stress that the RFP was written by UC without input from CUCEA/CUCRA or the Academic Senate. Similarly, the pre-set criteria and weighting factors for evaluating the proposals were established before the RFP review committee met. "The 2019 RFP was heavily weighted in favor of financial criteria (cost

savings) to the detriment of quality of health care program and member (patient) needs and satisfaction.” However, the RFP review committee had good representation of Academic Senate, Retirees, and Emeriti, and the JBC thanks all of them for their excellent work within the confines of the pre-set evaluation procedures for the proposals. They also deserve major credit for limiting the result of the RFP to the replacement of only Health Net Seniority Plus.

Appendix II also makes the important point that a member of CUCEA/CUCRA and/or the Academic Senate should be present as an advisor in the final negotiations with the successful bidder.

The Health Benefits Advisory Committee (HBAC), which is the augmented version of the previous Retiree Health Benefits Working Group, discussed the MA PPO plans for replacement of 0, 1, 2, or 3 existing plans. They considered the positive and negative issues for each and ultimately endorsed only the replacement of Seniority Plus. The Executive Steering Committee (ESC, see below) agreed with the HBAC recommendation.

The health benefits for the United Health Care plan appear mostly similar to those for the Health Net plan. However, based on the admitted limited published Formulary, the new MA PPO appears more limited than Seniority Plus. The MA PPO plan covers mainly generic drugs, but so far we have no indication of the coverage for newer brand name drugs. The Formulary will become clearer as Open Enrollment begins, but people considering enrolling in the new plan should evaluate the formulary as well as checking their choices for Doctors during this and future open years.

The most recent issue of the AARP BULLETIN (October 2019) has interesting Medicare information on pages 28 and 29. The JBC took particular interest in the first bullet point under “Be Open to Change” on page 29. The text of the item reads: “If you’re in a Medicare Advantage Plan, review its annual list of member doctors, facilities and medical coverage. Have things changed? Often, they do.”

Action requests:

- The JBC asks that UC acknowledges and adopts as possible the observation and recommendations of Appendix II. The first five points in Appendix II, are relevant for future RFP processes, but the data gathering described in the 6th point is essential to assess the value of the 2020 MA PPO plan and the possible value of replacing UC Medicare PPO or High Option Medicare plans.

- What is UC expecting as a successful outcome? Will consolidation save money for UC or participants? Will some of these savings be “banked” to stabilize health insurance costs in the future? What is the effect on Rx prices and costs? How will this improve Retiree health care and control out-of-pocket costs? How will the benefits of a new plan compare with existing plans from the point of view of the Retiree participants? What will be the effect on the Retiree cost for Kaiser if a replacement is found for the higher priced plans?

III. HBAC

Appendix III contains some background information, the HBAC charge, ESC objectives, and brief meeting notes.

Most of the documents are clear, but the JBC wants to draw your attention to the 4th objective for the ESC:

“Manage UC costs proactively to achieve financial targets. Annual increases to the overall budget for health benefits should not exceed 4%, while providing improved predictability to UC for premium increases, and to employees and retirees for contributions to premiums.”

The JBC believes that this objective should explicitly state that the “... overall per capita budget ...” . *Status:* The HBAC was told October 17, 2019 that UC would include “per capita” in the 4th objective.

IV. Comments, suggestions, and questions about Pension/Savings Choice

The JBC discussed in its April 2019 report improvement in the collection of data for the 2016 Pension/Savings Choice Program. We advise UC to institute substantial discussion at the University of California Retirement System Advisory Board (UCRS AB) to revisit its reporting of the Pension/Savings choice issue to provide better policy and program definition. We now summarize our observations and suggestions:

- A. Simply asking the employee for the reason for his/her choice would be the best way to determine why employees make their choice.
- B. Why do new employees at some campuses/units make more decisive choices evidenced by fewer default pension choice decisions?

- C. The JBC also suggests some improvements to the [Pension/Savings modeler](#). We believe that the new hire client should have more control over the inputs and in viewing the results.
- D. Review guidance that UC provides for Pension/Savings choice. The JBC notes that UC Benefits offers many resources that may be used by new hires. How many employees take advantage of the advice? How many use the estimator?
- E. The current pension savings modeler program is not configured to provide guidance to health science faculty participating in APU's greater than 1.0. While the pension component of calculations for such individuals will almost always default to the state-defined PEPPRA cap, the DC add-on will vary considerably according to the faculty member's APU status. Faculty members with high APUs would thus default to the IRS limits for the DC contributions; whereas other faculty will have their DC based closer to their covered compensation. Affected people should be directed to a modeler that is more appropriate for their circumstances.
- F. Some further issues that should be summarized in the Pension/Savings report: Correlate choice with job titles. Keep track of the time that Savings choice members remain at UC. Compare the participation data per unit for the years 2016, 2017, 2018, ... to see if percentage choosing Pension or Savings is constant. Report number of Savings Choice members who have asked to change to Pension Choice.

V. Emeriti Titles

The JBC has become aware that changes in Regents policy on Emeritus status has removed the automatic award of Emeritus status to some current retiring Academic Senate members. We disagree with this change, which may have been inadvertent, and believe the issue should be reconsidered and rectified.

Respectfully submitted by the **Joint Benefit Committee:**

Adrian Harris (UCLA) Appointed by CUCRA

Randy Scott (UCOP) Appointed by CUCRA

Joel Dimsdale (UCSD) Appointed by CUCEA

Dan Mitchell (UCLA) Appointed by CUCEA

Louise Taylor (UCB) Selected by JBC

Larry Pitts (UCSF/UCOP) Selected by JBC

Chair, Roger Anderson (UCSC) Selected by JBC

Marianne Schnaubelt (UCI) CUCRA Chair

Joe Lewis (UCOP) CUCRA Chair-Elect

Henry Powell (UCSD) CUCEA Chair-Elect

Caroline Kane (UCB) CUCEA Chair

APPENDIX I: Some challenges with RASC reported by the Center Directors for Emeriti and Retirees from July 1, 2019 to date

(To September 17, 2019)

Responsiveness

- Hold time 30 - 60+ min typical, leading to hanging up to roll over to voicemail message
- Called 6-7 times and unable to connect
- Contacted at multiple points in time and no response

Accuracy

- Packets including material for other retirees
- Multiple counselors handling one case - No one counselor assigned
- Reassured that case was elevated to supervisor, though no record of this being done and no response from supervisor
- 3 different answers for the same question depending on who answered the call
- The VSP program had conflicting information

Timeliness

- Stated deadlines were not met
- Check Delays/Delays of pension income to new retirees

Communication

- No notification that there would be no counselor assigned
- Delay in Medicare packets - not made aware of the delay
- Inadequate communication between RASC and campus locations around respective challenges
- Inadequate communication between RASC and health plans around retiree health plan continuation
- Lack of clarity on how to access paystubs
- New retirees not being informed of a lapse in health coverage

Other items:

- REDWOOD system not functioning as intended
- Survivor Unit inadequacies
- UCLA Vice Chancellor Michael Levine asked me to send him a copy of all the RASC issues that the Retiree Centers are collecting
- Where do retirees get paystubs? I've gotten different answers - UC Work number
- Has anyone else noticed the surviving spouses are not in current UCOP spreadsheet?

- *(October 4, 2019)* A member of the JBC was not able to create a UCRAYS account and called RASC. This person hung up after waiting 25 minutes for an answer. However, after contacting RASC leadership the problem was easily solved by not using the Firefox browser. The login instructions for UCRAYS should include possible browser issues.

- *(October 10, 2019)* Additional comments from a Center for Emeriti and Retirees (director)
 - Very long wait times of up to over an hour and then being disconnected and having to call back.
 - Having to call back multiple times on the same issue when the issue remained unresolved.
 - Retirees who submitted retirement paperwork as far back as April (whether retiring in May, June, or July) and yet not having received a pension check.
 - Survivors who are unable to get through or get a definite timeline for their Survivor Benefits.
 - Service Credit miscalculations resulting in more funds being taken out of their pension checks than appropriate.
 - Individuals finally receiving pension checks but with no deductions for ongoing medical taken out; having to call to verify they have coverage; being asked to send a personal check back to cover what is owed.

Also reported by this CER director: None of these are unknown to RASC, as we have had to escalate issues up to Ellen Lorenz to get a more direct assurance of a path of action for those in dire circumstances of not being able to pay bills or not being able to wait on hold due to their living circumstances. It has been very stressful for many.

APPENDIX II: Report of CUCRA and CUCEA representatives to the RFP Review Committee

CUCEA/CUCRA MA PPO RFP EXPERIENCE

and

MA PPO MONITORING AND ANALYSIS RECOMMENDATIONS

September 11, 2019

CUCRA and CUCEA were involved in the recent RFP process for selecting a Medicare Advantage PPO carrier. We were asked to evaluate whether or not to recommend that the University go forward with offering this product as an alternative to any or all of the following status quo plans: Medicare PPO, High Option Medicare PPO, HealthNet Seniority Plus HMO. We evaluated three bidders in conjunction with other representatives of the University and consultants.

Certain themes emerged, which we wanted to share with Joint Benefits Committee in anticipation that similar RFP evaluations will occur in the future.

MA PPO RFP EXPERIENCE COMMENTS

1. Agreement on Principles Requires Up-Front Agreement by all Participants

a. The 2019 RFP was released without any agreement on principles with the affected parties (staff and emeriti retirees and Academic Senate)

b. The only principle enunciated by the UCOP staff at the initial Working Group meeting was "saving money."

c. Maintaining on-going continuity in the UC retiree health programs is one of the most important factors in making decisions on retiree health plans. Retirees are at an age where disruptions in health care are profoundly upsetting, difficult to understand and, given the advancing age with the accompanying cognitive declines, very hard to adjust to. Any proposed change to the status quo has to be in balance with this principle.

2. Agreement on Weighting Measurements for Judging RFP Responders Requires Up-Front, Unanimous Agreement by all Participants

a. UCOP Procurement established pre-set criteria and weighting factors for evaluating the proposals. The 2019 RFP was heavily weighted in favor of financial criteria

(cost savings) to the detriment of quality of health care program and member (patient) needs and satisfaction

b. No one single weighting factor should be permitted to overwhelmingly steer an outcome of the RFP process. A “most responsive bidder” process should have a “qualitative” factor that allows for weighting factor balancing – not strictly just the way the “math” adds up.

3. During the final negotiations with whomever the successful bidder is, a member of CUCEA/CUCRA and/or the Academic Senate should be present as an advisor to the process.

4. UCOP executive management must be involved openly in key stages of any RFP process, especially the “stage-setting” and in the final discussions phase. The decision making should be done openly, with meeting the defined principles as the key goal.

5. The University should consider how to create a model that permits the financial savings generated by a move to a less-costly healthcare product to be set aside to fund a reserve funding pool against future cost increases. An example of this would be to begin a 3-year rate smoothing program, using any initial savings as the funding source.

6. The newly established UH-sponsored Medicare Advantage PPO plan needs to be monitored for quality, “friction,” and member experience. In order to get meaningful data, the analysis should use usual and common metrics, compiled and monitored by the UCOP Benefits staff, in evaluating each of the following retiree health plans: people who switched from Medicare PPO to the Medicare Advantage PPO, people who switched from HMO to Medicare Advantage PPO, and people who continued in the existing Medicare PPOs. We suggest that the university employ a combination of questionnaires and interviews with retirees to obtain this information. We suggest that in rating the plans, a “1 to 5” scaleable be used such that any score of “3” or worse be considered “a problem” (parenthetically, Uber and Amazon usefully apply such metrics, rather than accept a “3” as “sufficient”). The following topics should be included in the assessment:

- a. Delays and/or denials in access to care or receiving approvals
- b. Delays and/or denials in access to pharmacy benefit approvals

- c. Responsiveness of UHC to questions and concerns
- d. Degree to which the product brings promised benefits for health promotion
- e. Degree to which the product provides chronic disease management
- f. Independent survey of MA PPO members conducted by UCOP Benefits
- g. Analysis of reports of problems identified either through the UC-RASC or UCOP

Benefits

Joel E. Dimsdale, M.D. (CUCEA representative)

Frank Trueba (CUCRA representative)

Eric Vermillion (CUCRA representative)

Sept 17, 2019

Appendix III: Some background and current activities: Health Benefits Advisory Committee (HBAC)

Draft by Roger Anderson, October 14, 2019

This document is a work in progress, but it is intended to introduce CUCRA and CUCEA to the Health Benefits Advisory Committee. The HBAC has a similar membership to the previous Retiree Health Benefits Design Working Group, but the charges for the old and new committees are quite different.

The Retiree Health Benefits Design Working Group was tasked with the design of Retiree Health plans for the year 2019. The primary motivation to establish the Working Group was to find ways to keep the cost of per capita Retiree Health plans below 4 percent while maintaining the 70% UC share with the 30% Retiree share. The Working group finished its report in July 2018 ([Working Group report](#)), and UC accepted its recommendations. Fortunately, the medical premium inflation increased much less than the 4% threshold, and few Working Group recommendations needed adoption.

The HBAC has a different history and motivation. The origin of the group dates from the [Huron report](#) on restructuring UCOP. The Huron Report prompted the formation of the UC Health Restructuring Advisory Committee (UHRAC) ([Report October 2018](#)). This report seems to lead to the MA PPO RFP process that concludes this month. However, the UHRAC report also recommends that UC develop a review of both Active employees as well as Retirees. This is the UHRAC recommendation #11:

11. If the recommendation to keep UC Health within UCOP is accepted, the Advisory Committee recommends that UC Health should retain its current role in administration of the self-funded health plans. It is beyond the scope of the Committee's charge to evaluate the plan structure and offerings of University employee health benefits; the Committee nevertheless believes that a thorough evaluation of the University's approach to employee health benefits would be timely and important.

The HBAC has been meeting monthly since June 2019. The first meetings mostly provided input about the RFP for the replacement of one or more of the present UC Medicare Plans (Health Net, High Option, and UC PPO) with a new MA PPO plan(s). As noted earlier, UC accepted the HBAC recommendation to replace only one existing Medicare Plan.

To help with the more ambitious charge for the HBAC, UC is using [Milliman](#) as its principal consultant. Milliman has been presenting data for comparison institutions, and they will write the final report for the HBAC.

The rest of this Appendix is organized as follows:

1. Charter for HBAC
2. Objectives of the Executive Steering Committee (ESC)
3. Brief meeting notes for HBAC and ESC meetings

1. UC Health Benefits Advisory Committee (HBAC) Charter

I. Background Information

II.

The University of California knows that its comprehensive health benefits are highly valued by employees and retirees and understands the critical role these benefits play in overall employee compensation, recruitment and retention. Providing quality health benefits to employees and retirees keeping them as affordable as possible for employees and retirees - as well as UC - is an important part of our long-term strategic planning.

The university has successfully maintained a wide range of health benefit offerings while covering more than eighty percent of the \$2.26 billion total cost of medical benefits for UC faculty, staff and retirees during a dramatic rise in care costs and budget uncertainty. Ongoing external cost increases and a changing employee and retiree demographic pose potential risks to the long-term viability of our current health benefits portfolio. These factors require proactively evaluating our programs while balancing the coverage needs and affordability for current and future employees and retirees at all income levels, the ability to differentiate from organizations with whom we compete for talent and ensuring we are leveraging the strength of UC's own health care system, where appropriate, among other priorities.

In October 2018, within its final report, the UC Health Restructuring Advisory Committee (commissioned by the UC President) suggested that the President undertake an evaluation of the University's employee and retiree health benefits and included the following statement in its report, *"It is beyond the scope of the Committee's charge to evaluate the plan structure and offerings of University employee health benefits; the Committee nevertheless believes that a*

thorough evaluation of the University's approach to employee health benefits would be timely and important." The President accepted the committee's recommendations in November 2018 and agreed with the suggestion that a review would be prudent.

As a result, the President has charged the University's Executive Steering Committee on Health Benefits Programs (ESC) to undertake this work. Given that the ESC has the fiduciary responsibility for the University's health benefits programs, the ESC has elected to form a Health Benefits Advisory Committee (HBAC) consisting of various stakeholders and guided by an external advisor, to undertake a review of UC's employee and retiree health benefits programs and the various modes of delivery, plan design and structure to make recommendations to ensure their overall attractiveness and affordability.

II. Scope Description:

The scope will include the following areas:

- UC's current benefit plans (medical, dental and vision) for employees and retirees, and various health benefits models;
- The current methodology for employee and retiree contributions and rate setting;
- Provider networks;
- An overall strategy for sustaining quality employee/retiree health benefits into the future.

III. Goal:

Develop a 3-5 year strategy to maximize value for the employee and retiree health benefits portfolio and an assessment of the current health benefits program relative to the strategy. Provide a set of recommendations and/or options for aligning the current program to the portfolio strategy.

It is anticipated that the earliest any changes could occur would be for the 2021 Benefit Plan. The **development of** strategy and assessment will be periodically vetted with the ESC. The recommendations and/or options will be presented to and reviewed by the ESC, the ultimate decision making body on any proposed changes.

IV. Committee Consultation & Decision Process:

- A. Process Leadership:** The consultative process will be conducted by a Health Benefits Advisory Committee (HBAC), approved by the ESC. This HBAC, led by an appointed

chair, will provide oversight of the consultation process and will draft suggestions to address identified problems, including a formal response to each of the assessment areas listed under the description above.

B. Knowledge Sharing: Throughout the project, the HBAC members will be presented with requisite background information – via documentation, articles, discussions and presentations – to increase their knowledge of employee health benefits to inform the development of options that will position the University for future success. The Workgroup (described in Roles & Responsibilities below) and the consultant, Milliman, will provide this information, where appropriate.

C. Input Collection and Analysis: The Workgroup will collect necessary data and provide guidance to Milliman to complete needed analysis. Milliman will review analysis with the Workgroup before they are shared with the HBAC. Throughout the project, the HBAC will identify risks and benefits of options under consideration and provide input. HBAC members will serve as representatives of constituent groups and will be asked to provide input on behalf of their respective group. All HBAC members will be asked for their input throughout the project.

D. Additional / Targeted Reviews: Risks and/or concerns highlighted by the HBAC, will be carefully analyzed by the Workgroup and Milliman. Milliman with the guidance of the Workgroup will conduct further data collection and review if/as necessary to address concerns and better inform recommendations or options.

E. Options Development: With the Workgroup's guidance, Milliman will develop deliverables and share them with the HBAC. Milliman will outline potential options with costs, impact, and risks outlined. The HBAC will provide options it finds viable to the ESC through an inclusive process based on input and analysis. Options will be outlined with their respective costs, risks, and benefits and then forwarded to the ESC for final direction.

F. Draft Final Assessment Deliverables: Milliman with the Workgroup's guidance will draft deliverables that include a summary of findings and options, outlining risks and benefits of each of the solutions, and an appendix of actual data/input analysis. The HBAC will review the deliverables and provide input on the options presented to ESC.

G. Report Feedback: The draft report will be shared with the HBAC, for a four-week review and comment period before the report is finalized. The HBAC will be asked to collect feedback from their respective constituents to share with the group and changes in the report will be made as appropriate.

H. Deliverable Finalization: Following any feedback from the ESC, with the support from the Workgroup and Milliman, the HBAC will finalize the deliverables, including a summary of findings and options, outlining risks and benefits of each of the options, and including an appendix of actual data/input analysis.

I. ESC Final Review: The final report from the HBAC will be presented to the ESC for review and its consideration. The ESC, in consultation with the President, will make decisions for implementation based on the options presented in the final report.

J. Communication and Implementation: Communication to UC stakeholders will occur throughout the engagement. The Workgroup will provide timely communication guidance and tools for the HBAC to share with their constituencies. The ESC will provide formal communications following final decisions to UC staff.

V. Committee Membership

The following key stakeholder groups across campuses and medical centers will be represented in the HBAC and therefore throughout the decision-making process. This list below will serve as a starting point and may be amended during the consultation process if/as appropriate.

- Academic Senate Representatives
- Campus Faculty Representatives
- Council of University of California Staff Assemblies (CUCSA) Representative
- Staff Advisor to the Regents Representative
- Council of University of California Retiree Associations (CUCRA) Representative
- Council of University of California Emeriti Associations (CUCSEA) Representative
- Medical Center CEO
- Medical Center CFO
- Union Representative
- Campus Executive Vice Chancellor

- Campus Vice Chancellor for Administration
- Campus Vice Chancellor of Planning & Budget
- Campus Chief Human Resources Officer
- President's Executive Office

VI. Deliverables:

1. UC environmental scan and confirmation of guiding principles
2. Summaries of Assessment areas including:
 - a. Portfolio Review
 - b. Provider Network Review
 - c. Funding Methodology Assessment
3. Final Report including:
 - a. Options criteria for selection
 - b. Detailed analysis of options including outline of costs, risks and benefits of each of the options
 - c. Final options for ESC consideration
4. Feedback collection instrument and response summary
5. Communications and talking points for delivery to key stakeholders

VII. Roles and Responsibilities:

ROLE NAME/S RESPONSIBILITIES

Health Benefits Advisory Committee Chair

John Meyer • Provide leadership for the content creation and solution options development process

- Provide directional oversight of the HBAC and coordination of the Workgroup Team
- Lead HBAC meetings and provide input on draft and final documents

Health Benefits Advisory Committee

Robert May

Kum-Kum Bhavnani

Rick Kronick

Bob Anderson

Andrew Bindman

Kate Klimow

Roger Anderson

Frank Trueba

Johnese Spisso

Tim Maurice

Pierre Ouillet
Gregg Camfield
Ramona Agrela
Sarah Latham
John-Stephen Henderson
John Bodenschatz Zoanne
Nelson

- Review informational materials for informing solution options
- Serve as the voice and conduit of information to and from member's respective constituent groups
- Provide guidance in the development of input collection methodology and tool/s
- Based on review and analysis of information and input, develop a set of clear options for the ESC on the areas in scope for the HBAC.
- Participate in all meetings, review all relevant materials and provide input on draft documents

Workgroup Content Owners

Cheryl Lloyd
Mike Baptista
Laura Tauber
Susan Pon-Gee

- Advance core content with consultant; provide subject matter guidance
- Provide data and content to consultant for analysis
- Advise consultant on content regarding selffunded plans
- Review deliverables and provides feedback
- Collaborate with working group to identify HBAC agenda topics
- Draft options, reports, presentation materials, and other communications; circulate and collect feedback/edits; revise and submit final documents.
- Attend HBAC meetings and presents findings as needed
- Manage budget; review and approve project

Workgroup Program Advisors

Julian Ryu
Rob Judd

- Draft Charter and confirm workplan, timeline, and deliverables with consultant
- Advise Committee Chair on meeting agendas, objectives, and facilitation
- Coordinate with Chair and Workgroup to collect, schedule and share materials and

presentations

- Schedule/facilitate all activity related to consultative process to arrive at options on time
- Share and follow-up on meeting action items and outcomes
- Facilitate communication between all stakeholder groups as necessary.
- Help to define deliverable methodology and format

Workgroup Subject Matter Advisors

Robert Gaumer

Sybil Wartenberg

Cathy O'Sullivan

Consultants **Gary Setterberg**
(Milliman) **Susan Philip**

VIII. Estimated Workplan & Timeline: June 2019 - June 2020

DATE ACTION

June 2019

HBAC Meeting #1: Kick Off meeting

July 2019

One-on-One Meetings between Milliman and HBAC members

August 2019

HBAC Meeting #2: Share Draft Charter; Review Project Plan and Findings from Internal Assessment

September 2019

HBAC Meeting #3 : Comparator Analysis, Design Principles, Review current benefit status and working hypotheses for portfolio review, provider network review and funding methodology/assessments

October 2019

HBAC Meeting #4: Conduct Educational session on cost "levers" and "buckets" for UC to consider in achieving goals

November 2019

HBAC Meeting #5: Present wide array of options based on initial analysis and environmental scan. Develop criteria to narrow down the array of options

January 2020

HBAC Meeting #6: Present findings of detailed analysis of selected options, first iteration

February 2020

HBAC Meeting #7: Present findings of detailed analysis of selected options, second iteration

March 2020 HBAC Meeting #8 : Presentation of Draft Deliverable

April 2020 HBAC Meeting #9: Presentation of Final Assessment

May-June 2020 Final Report delivered and reviewed by ESC

- Estimated timeline; actual dates may vary depending upon availability of participants and unforeseen scheduling conflicts

Approved:

Rachael Nava 8/27/19

COO, Executive Steering Committee Chair University of California

Charter Revision Dates

Date Author Version Change Reference

July 8th, 2019 Julian Ryu 1.0 Draft Document

July 17th, 2019 Julian Ryu 1.1 Updated Draft Document following feedback from
Workgroup

July 24th, 2019 Julian Ryu 1.2 Updated Draft Document following feedback

August 14th, 2019 Julian Ryu 1.3 Minor changes to Workplan based on timing

August 20th, 2019 Julian Ryu 1.4 Updates following feedback from HBAC on
8/14/19

2. Executive Steering Committee on Health Benefits Programs Objectives

1. Purpose

The Executive Steering Committee on Health Benefits Programs is convened to oversee the development and operation of the University's health plans, in pursuit of the following objectives:

- Offer high quality benefits that support UC's employee attraction and retention goals. Benefits should be competitive with those offered by leading national universities and large California based health systems.
- Provide choice in benefit plan offerings and support employee decision-making and plan selection through simplicity and effective communications.
- Provide affordable options for all covered groups. Promote affordability, accessibility and quality in our health plan offerings.
- Manage UC costs proactively to achieve financial targets. Annual increases to the overall budget for health benefits should not exceed 4%, while providing improved predictability to UC for premium increases, and to employees and retirees for contributions to premiums.

- Enhance University control over benefits offered to employees and retirees through negotiations with vendor partners, through the decision making process of plan governance, and by self-funding benefit plans as appropriate.
- Facilitate and support the use of UC Health providers to provide high quality/cost effective care. UC Health's participation in the UC health plan offerings furthers the research, teaching, and service mission of the University.
- Adopt and integrate innovations as a means of continuously improving the quality of UC's health plans. Innovation can also control cost growth while enhancing the health, wellbeing and engagement of UC employees, retirees and their families.
- Integrate wellness and prevention programs and activities into the health offerings for UC employees, retirees and their families.

3.Meeting notes

Key Takeaways from June 17th Milliman Introduction

Following the MA PPO RFP decision, the HBAC will shift their focus to review UC Employee's Health Benefits Programs and various modes of delivery, plan design, and structure. UC has a longstanding commitment to providing quality health benefits to employees and retirees, and to keeping them as affordable as possible. To ensure the longterm sustainability of these offerings amid rising external costs and demographic changes of benefit recipients, UC must periodically assess our health benefits portfolio and strategy. As part of the work, the Health Benefits Advisory Committee (HBAC) will share perspectives and recommendations to the ESC to ensure the overall attractiveness and affordability of the health benefits portfolio.

To support this effort, a consulting firm experienced with higher education health benefits, Milliman, has been secured. Milliman made an introductory presentation to the HBAC at the end of the July 17th meeting. During their introduction, Milliman shared concepts and trends they have observed with other higher education institutions and provided a high level outline of their approach. Milliman's work will be completed collaboratively and transparently with the HBAC.

The HBAC is expected to deliver final recommendations and/or options to the ESC in spring or summer of 2020 (with multiple 'checkpoints' on progress of the work along the way). The earliest recommendations could be adopted will be for the 2021 plan year. A

more specific project timeline is being formulated as the project sets to kick off. In the next few weeks, Milliman plans to speak with the HBAC members individually to hear their perspectives, needs, and concerns.

June 24th ESC Update on MA PPO RFP

After considering feedback from the Health Benefits Advisory Committee, plan design and financial impact, the ESC decided on June 24th to pursue replacing the Seniority Plus plan with an MA PPO, beginning in the 2020 plan year. All other retiree plan choices will remain. Replacement of Seniority Plus only was the option favored by the Health Care Task Force and the CUCRA/CUCEA representatives on the RFP team, as well as several members of the Advisory Committee. Note that we will not move forward with the replacement until the bid is awarded to the vendor and negotiation is complete.

A plan to communicate the specific changes to retiree health beneficiaries is currently under development. Outreach to beneficiaries and other internal and external stakeholders is planned to begin later this summer and continue throughout the Open Enrollment period.

Summary of September 26th Health Benefits Advisory Committee (HBAC) Meeting

The Health Benefits Advisory Committee (HBAC) met on August 14th. This meeting served primarily as the kick-off to discuss the broader UC employee and retiree health benefits portfolio review.

- The HBAC reviewed and discussed a draft Charter that outlines objectives, processes, roles, and milestones for the Committee. The charter is expected to be finalized by the end of August.
- Milliman, the consultant engaged to drive the portfolio analysis, presented a high-level overview of current UC health benefits enrollment to begin identifying opportunities for further discussion and analysis.
- The HBAC is expected to meet on a monthly basis through June 2020. At the next HBAC meeting, Milliman plans to provide a comparator assessment of health benefit portfolios at other higher education institutions and other large institutions influential in California. They also will be developing working hypotheses for further analysis within the UC health benefits portfolio.

- The committee also discussed the progress of the transition from Health Net Seniority Plus to the new MA PPO option. Outreach and communications to the retirees will begin in September, which will include the ways in which retirees can learn about the new plan's networks, formulary and how to get individual questions answered in advance of open enrollment
- The committee is very interested in ensuring their constituents are informed throughout the process and is committed to sharing important information at key milestones. If you have questions, please share them with your HBAC rep or at hbac@ucop.edu

Summary of September 26th Health Benefits Advisory Committee (HBAC) Meeting

- Milliman, the consultant for this effort, presented results of a comparator survey, which yielded 17 University responses (out of 23 invited). The survey gauged features of comparator health offerings and included retiree/employee attitudes towards the offerings. Milliman also shared survey results from another firm (Mercer) featuring results from companies in the west region and companies nationwide with 20,000+ employees.
- The HBAC reviewed the objectives of the Executive Steering Committee on Health Benefits (ESC), as stated in the ESC Charter. These objectives (attached) will provide the basis for the ESC to evaluate options that emerge from the HBAC. The ESC has the fiduciary responsibility for the University's health benefit plans.
- The HBAC began review of the current design principles that govern how the UC health benefits portfolio is currently designed and managed. The HBAC will continue to discuss these design principles in the next committee meeting scheduled for October 17th. Working hypotheses on target areas to improve the health benefits portfolio will emerge from these discussions.